

CLAIMS

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1. A method of handling quotes in an electronic market that, if entered, would lock or cross other quotes in the market comprises:

formatting the quote as a marketable liability order and routing the order to a market participant whose quote was locked or crossed.

2. The method of claim 1 further comprising detecting if a market participant enters an order which will lock across the market.

3. The method of claim 1 further comprising determining if the order locks the market and, if the order locks the market, routing further comprises:

routing the formatted order to the market participant next in time whose quote would be locked if the quote is entered in the system.

4. The method of claim 3 further comprising; executing the formatted order against the quote at the side of the market that would have been locked.

5. The method of claim 1 further comprising determining if the order crosses the market and, if the order crosses the market, routing further comprises:

routing the formatted order to the market participant next in time whose quote would be crossed if the quote is entered in the system.

1 6. The method of claim 3 further comprising executing the
2 formatted order against the quote at the side of the market that
3 would have been crossed.

1 7. The method of claim 1 further comprising:
2 determining if the formatted order was filled by
3 execution against the locked or crossed quote.

1 8. The method of claim 7 wherein if the order was not
2 filled, the method further comprises:
3 reformatting the order as a displayable quote on the
4 side of the market of the order.

1 9. The method of claim 1 wherein formatting the quote,
2 formats the quote as a marketable limit order that is entered
3 into the execution system as the marketable liability order.

1 10. The method of claim 1 further comprising:
2 determining whether quotes, if entered in the
3 electronic market at the opening of the market, would lock or
4 cross other quotes in the market; and
5 clearing out from the market the quotes that locked or
6 crossed the market before processing orders and quotes at the
7 opening of the market.

1 11. A system for handling quotes in an electronic market
2 comprises:
3 a lock/cross quote detector which determines whether a
4 quote which is entered into the market system would lock or cross
5 other quotes in the market system;
6 a quote formatter that receives quotes that, if
7 entered, would lock or cross the market and reformats the quotes

8 as marketable liability orders;

9 a routing process that routes reformatted quotes as
10 marketable liability orders to a market participant whose quote
11 was locked or crossed.

1 12. The system of claim 11 wherein the routing process
2 routes the formatted order to the market participant next in time
3 whose quote would be crossed if the quote is entered into the
4 system.

1 13. The system of claim 11 wherein the routing process
2 routes the formatted order to the market participant next in time
3 whose quote would be locked if the quote is entered into the
4 system.

1 14. The system of claim 11 further comprising an execution
2 process that executes the formatted order against the quote at
3 the side of the market that would have been locked or crossed.

1 15. The system of claim 11 further comprising:
2 a process to determine if the formatted quote was
3 filled by execution against the locked or crossed quote.

1 16. The system of claim 15 wherein if the reformatted order
2 was not filled, the determining process, reformats the order as a
3 displayable quote on the side of the market of the order.

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